



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal Nos. 14-53]

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 14-53 with attached transmittal and policy justification.

Dated: November 18, 2014.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.

[PHOTO GRAPHIC]



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

NOV 12 2014

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 14-53, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to Iraq for defense articles and services estimated to cost \$600 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

for J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Regional Balance (Classified Document Provided Under Separate Cover)



[END PHOTO]

Transmittal No. 14-53

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Government of Iraq
- (ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$600 million</u>
TOTAL	\$600 million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: a Foreign Military Sales Order II (FMSO II) to provide funds for blanket order requisitions, under a Cooperative Logistics Supply Agreement (CLSSA) for spare parts to support M1A1 Battle Tanks, M1070 Heavy Equipment Tactical Trucks, M88A1/2 Tank Recovery Vehicles, M113 Vehicles, M198 Towed Howitzers, M109A5 Self Propelled Howitzers, High Mobility Multi-Purpose Wheeled Vehicles (HMMWV), Heavy Expanded Mobility Tactical Trucks (HEMTT), heavy and light machine guns, common repair sets, and additional authorized items with associated equipment and services.
- (iv) Military Department: Army. (KAC, Amendment #1)
- (v) Prior Related Cases, if any: FMS case KAC-\$7M-12Feb13
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: None
- (viii) Date Report Delivered to Congress: 12 Nov 2014

* As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Iraq – Foreign Military Sales Order II (FMSO II)

The Government of Iraq has requested a Foreign Military Sales Order II (FMSO II) to provide funds for blanket order requisitions, under a Cooperative Logistics Supply Agreement (CLSSA) for spare parts to support M1A1 Battle Tanks, M1070 Heavy Equipment Tactical Trucks, M88A1/2 Tank Recovery Vehicles, M113 Vehicles, M198 Towed Howitzers, M109A5 Self Propelled Howitzers, High Mobility Multi-Purpose Wheeled Vehicles (HMMWV), Heavy Expanded Mobility Tactical Trucks (HEMTT), heavy and light machine guns, common repair sets, and additional authorized items with associated equipment and services. The estimated cost is \$600 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a strategic partner. This proposed sale directly supports the Government of Iraq and serves the interests of the people of Iraq and the United States.

Iraq requires continuing procurement and repair of spare parts through the U.S. Government's FMSO II program in order to maintain its military fleets of tanks, vehicles, and other associated equipment. The spare parts and repair sets to be procured under this proposed sale are critical for maintaining these ground transportation vehicles in operational condition.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor will be General Dynamics Land Systems in Sterling Heights, Michigan. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this sale will not require U.S. Government representatives or contractors to travel to Iraq.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.